

ORIGINAL

JOHNSON UTILITIES L.L.C.

5230 East Shea Boulevard * Scottsdale, Arizona 852.
PH: (480) 998-3300; FAX: (480) 483-7908



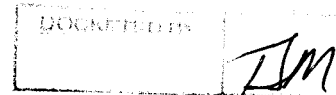
November 26, 2012

Steven Olea, Director
Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

NOV 27 2012



RE: Johnson Utilities Company, H2O, Diversified Water Utilities,
Queen Creek Water Company: Compliance with Decision No. 65840
Notice of Violation from ADEQ dated October 12, 2012 (#133837)
WS-02987A-99-0583; WS-02987A-00-0618; W-02234A-00-0371; W-02859A-00-0774;
W-01395A-00-0784

Dear Mr. Olea:

As a follow up to the Notice of Violation ("NOV") from the Arizona Department of Environmental Quality ("ADEQ") dated October 9, 2012, we have attached our response to the Department dated 21 November 2012.

Should you have any questions or would like to meet and discuss, please do not hesitate to contact me. Thank you for your time and consideration on this matter.

Sincerely,

Daniel R. Hodges
Johnson Utilities, LLC

Cc: Docket Control
Brian Bozzo, Compliance Manager

AZ CORP COMMISSION
DOCKET CONTROL

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RECEIVED

JOHNSON UTILITIES, L.L.C.

5230 East Shea Boulevard, Suite 200 * Scottsdale, Arizona 85254
PH: (480) 998-3300; FAX: (480) 483-7908

November 21, 2012

Deborah L. Schadewald-Kohler
Water Quality Utility Field Service Unit
MC: 5415B-1
1110 W Washington St.
Phoenix, AZ 85007

Re: Notice of Violation, Case ID #: 133837

Dear Ms. Schadewald-Kohler

Johnson Utilities, L.L.C. (JU) is responding to the Notice of Violation (NOV), Case ID: 133837 received by JU on October 12, 2012. The NOV alleges seven State and Federal violations. Section III, Documenting Compliance, contains seven action items that need to be responded to by JU. Each item has a deadline date. The dates range from 30-days to 90-days. This response addresses items 5 and 6 which have a 45-day deadline. Item 7, requires prior approval by ADEQ of the revised Emergency Response Plan. For JU to meet this response, ADEQ will need to approve the ERP prior to the due date of December 11, 2012. Our responses follow each of the NOV items:

NOV Item

5. Within 45 calendar days of receipt of this Notice, Please submit documentation that the violation(s) never occurred, or revisions to the emergency plan with particular attention to describing the procedures and actions the water system provides for the users.

The emergency operations plan shall detail the steps that the community water system will take to assure continuation of service in the following emergency situations:

1. Loss of a source;
2. Loss of water supply due to major component failure;
3. Damage to power supply equipment or loss of power;
4. Contamination of water in the distribution system from backflow;
5. Collapse of a reservoir, reservoir roof, or pumphouse structure;
6. A break in a transmission or distribution line; and
7. Chemical or microbiological contamination of the water supply.

The emergency operations plan required by subsection (A) shall address all of the following:

1. Provision of alternate sources of water during the emergency;
 2. Notice procedures for regulatory agencies, news media, and users;
 3. Disinfection and testing of the distribution system once service is restored;
 4. Identification of critical system components that shall remain in service or be returned to service quickly;
 5. Critical spare parts inventory; and
 6. Staff training in emergency response procedures.
- **Response:** This violation never occurred. The JU Emergency Response Plan (ERP) was completed in October 2005. A "Certificate of Completion of the Emergency Response Plan" was distributed to ADEQ and the US EPA, 1200 Pennsylvania Ave, NW, Washington DC, 20460 on October 3, 2005. The ERP was last revised in September 2010. The ERP was prepared by KUV Consultants, L.L.C. of Glendale, Arizona. KUV has conducted over 20 security vulnerability studies and prepared over 30 emergency response plans. Some of those they assisted are the City of Avondale, Clark County Water Reclamation District, City of El Mirage, City of Eloy, City of Florence, City of Henderson, Town of Marana, Metro Water District, Town of Oro Valley, City of Peoria, Pima County, City of Scottsdale, City of Yuma, and JU.

Section 1.1, Purpose and Scope, of the ERP states the following:

Some of the potential emergencies that can be faced by JUC include (but are not limited to) the following events:

- ☐ *Losses of water source*
- ☐ *Loss of water supply due to component failure.*
- ☐ *Damage to power supply equipment or loss of power.*
- ☐ *Contamination of water in the distribution system caused by backflow.*
- ☐ *Breaks in transmission or distribution lines.*
- ☐ *Contamination of water supply, real and potential.*

These events can be caused by acts of nature (flood, earthquake, fire, storm), unintentional component failure (mechanical, electrical) or by intentional acts (sabotage, terrorism).

The ERP was developed for these and other possible emergencies which meets the requirements of A.A.C. R18-4-204(A). The content of the ERP is provided in Section 1.2, ERP Content, and reads as follows:

The intended users of this ERP include both JUC staff and outsiders (first responders, and County, State and Federal agencies). The ERP outlines JUC'S overall emergency management program and addresses the following issues:

- ❑ *Organization and coordination during emergencies.*
- ❑ *Activation, notification and mobilization.*
- ❑ *Incident management – a general plan to respond to any type of emergency.*
- ❑ *Plan maintenance and staff training.*

The plan contains the following Appendices:

- ❑ *Appendix A: List of Contacts*
- ❑ *Appendix B: Parts Inventory*
- ❑ *Appendix C: Emergency Operating Procedures*
- ❑ *Appendix D: Water System Map*

It is not the intent of this ERP to provide a step-by-step response strategy when encountering a real emergency. The Plan is intended to provide general guidelines that will, in conjunction with advance planning and regular staff training, facilitate efficient response to various emergencies.

The ERP addresses all of the following items in A.A.C. R18-4-204(B):

1. Provision of alternate sources of water during the emergency;
 2. Notice procedures for regulatory agencies, news media, and users;
 3. Disinfection and testing of the distribution system once service is restored;
 4. Identification of critical system components that shall remain in service or be returned to service quickly;
 5. Critical spare parts inventory; and
 6. Staff training in emergency response procedures.
-
1. **Table A-3 lists the emergency contact for bottled water. In this event, water was available but required boiling for use as drinking water. Appendix C, Emergency Operating Procedures, Section 1, Loss of Source Water Supply, addresses the need for establishing a water hauling schedule in the event alternative water supply is need. However, the JU water system has well looped distribution piping that substantially reduces having an event where water is not available.**
 2. **Appendix C, Emergency Operating Procedures, Section 6, Chemical or Microbiological Contamination of Water Supply, requires. JU to notify ADEQ by telephone within 24 hours after learning of the occurrence. Please see our previous response which documents this notice. Section 4.2, Notification, states that notification is required under State and Federal law. JU followed the ERP and notified the news media as the “boil alert” affected the entire system. JU was in communication with ADEQ through this event.**

Please see our November 5, 2012, letter to ADEQ which addresses all correspondence between JU and ADEQ.

3. **Appendix C, Emergency Operating Procedures, Section 4 and Section 5, address the situation when disinfection is required in compliance with this item.**
4. **Appendix C, Emergency Operating Procedures, Section 2, Loss of Supply Due to Major Component Failure, addresses this item.**
5. **Appendix B, Critical Parts Inventory, addresses this item.**
6. **Section 6, Plan Maintenance and Training, addresses the requirement for training of employees in emergency operations and scheduling a minimum of three tailgate meetings during a calendar year. The JU certified operator meets with all the water system employees every morning to discuss the day's schedule and to review safety requirements, operational concerns, and the monitoring and testing scheduled for the day.**

The employee, Francisco Mejia, who took the samples on August 16, 2012, attended training on August 9, 2012, that included the subjects "Coliform Bacteria Sampling and Analysis" and "Preservation and Sampling Techniques". This training was sponsored by Legend Technical Services and ADEQ. A copy of the certificate of completion is attached and provides a list of all the subjects presented this training session. Mr. Mejia was the JU employee that also took all the negative samples on August 13, 2012, and the follow up samples on August 19, 2012.

NOV Item

For guidance please refer to:

http://water.epa.gov/lawsregs/rulesregs/sdwa/publicnotification/upload/2007_04_26_publicnotification_guide_publicnotification_phhandbook.pdf

JU has and maintains a copy of the EPA Revised Public Notification Handbook, 2nd Revision of Document: EPA 816-R-09-013, March 2010, for reference during emergencies.

Our previous response to ADEQ dated November 5, 2012, contained the new Appendix D, Public Notification Rule, and the revised Table of Contents.

NOV Item

6. Within 45 calendar days of receipt of this Notice, Please submit documentation that the violation(s) never occurred, or responsibility and training chart for emergency response team (may be included in emergency plan) to include:

1. Duties required for each position

2. Training and refresher training
3. Practice drills, communication or broadcast tests
4. Tail-gate safety meetings (scheduled and non-scheduled)

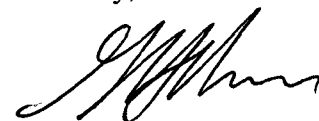
Response: This violation never occurred: Figure 5-1, JU Incident Command Structure, (included in the ERP) outlines the duties of each emergency response team member. Items 2-4 are addressed in the above response.

7. Within 60 calendar days of receipt of this Notice, Please submit documentation that the violation(s) never occurred, or certification that the corrective actions that have been taken to ensure that the emergency plan will be implemented, as written and approved by ADEQ, in the event of an emergency. Additional measures may be implemented to supplement, not replace the approved elements.

Response: This violation never occurred. Item 7 requires JU to certify that corrective actions were taken to ensure that the emergency plan will be implemented as written and approved by ADEQ. This item is required to be submitted within 60 days from receipt of the NOV. The due date is December 11, 2012. As with the initial ERP, a copy of the revised ERP cannot be submitted to ADEQ for security reasons, as documents submitted to ADEQ are public record. It is imperative that the confidentiality of the ERP remain intact. Therefore, ADEQ will not be able to approve the revised plan unless it is reviewed at JU or at a meeting. However, I can certify that JU will continue to implement the emergency plan as we have shown in this and our previous response. Please let us know how you want us to proceed with this item.

Items 3 and 4, Section III, Documenting Compliance, will be submitted prior to their due dates. Item 7 is conditioned on receipt of ADEQ's response. If you have any questions or comments, please contact me at (480) 998-3300.

Sincerely,



Gregory H. Brown, P.E.
Director of Engineering

Attachments:

1. F. Mejia, Certificate of Completion, ADEQ and Legend Training, 8/9/2012

Attachment 1

LEGEND TECHNICAL SERVICES

CERTIFICATE OF COMPLETION

This certifies that

Francisco Mejia

Has earned

SIX - Professional Development Hours for attending:

Thursday, August 9th, 2012 - CITY OF AVONDALE WORKSHOP-- in the Lantana Conference Room

Presented by: Donna Calderon, ADEQ

*Overview of AZ Drinking Water Rule, *Disinfection By-Products Rule, *Transitioning from Stage 1 to Stage 2,

*Public Water System Requirements.

Presented by: Robert Vertefeuille, Director of Operations and Senior Microbiologist, LEGEND Technical Services

*Emerging Pathogens

*Coliform Bacteria Sampling and Analyses

Presented by: Lisa Parrish - Client Services Manager, LEGEND Technical Services

* Preservative and Sampling Techniques